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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC #00527-84
23 January 1984

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : [REDACTED]
National Intelligence Officer for USSR-EE
FROM : Fritz Ermarth
National Intelligence Officer for USSR-EE
SUBJECT : Monthly Forecast and Warning Report -- USSR-EE

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1. Yugoslav Domestic Situation

A. Discussion

The Yugoslav leadership is still rent by regional rivalries and unable to implement economic reforms proposed by the Kraigher commission over a year ago while the population is becoming increasingly dissatisfied with worsening economic conditions and pessimistic about the future. On the bright side, the regime has been able to work with foreign creditors to keep its debt problems manageable, popular dissatisfaction has not given rise to civil unrest, and there has been no renewed violence in Kosovo. But the net impression conveyed by the political leadership is of an inability to come to grips with the country's problems. This situation has led some military leaders to highlight the army's selfless devotion to the national cause, presumably in contrast to more questionable motivations and activities of politicians. There

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